

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Broadwater Energy LLC	)	Docket No. CP06-54-000
	)	
Broadwater Pipeline LLC	)	Docket Nos. CP06-55-000 and
	)	CP06-56-000
	)	
Broadwater LNG Project	)	Docket No. PF05-4-000

**SUPPLEMENTAL COMMENTS OF  
IROQUOIS GAS TRANSMISSION SYSTEM, L.P.**

Iroquois Gas Transmission System, L.P. (“Iroquois”), an intervenor in this proceeding, respectfully submits its supplemental comments in the captioned proceedings. As stated in its Motion for Leave to Intervene and Comments, filed March 10, 2006 in Docket Nos. CP06-54, CP06-55, and CP06-56 (“Intervention Motion”), Iroquois submits these comments to report on its resolution of certain issues raised by Iroquois in the pre-filing phase of this proceeding.

**BACKGROUND**

On October 7, 2005, Iroquois submitted comments in the scoping phase of the Docket No. PF05-4 pre-filing proceeding (“October 7 Letter”). As the interstate gas pipeline system with which the applicant Broadwater Energy’s proposed LNG terminal and Broadwater Pipeline’s proposed pipeline project would interconnect, Iroquois raised a number of questions and concerns regarding the Broadwater project. After submitting its October 7 Letter, Iroquois Pipeline Operating Company (“IPOC”), Iroquois’ operator,

continued to discuss the proposed LNG terminal and pipeline project with representatives of Broadwater.

Following months of discussion, negotiation, and information exchange, Iroquois reported, in its Intervention Motion, that “IPOC and Broadwater have reached agreement on either the resolution of the outstanding issues or the establishment of a process for resolving them at an appropriate time in the future.” Iroquois also indicated that the agreement reached with Broadwater “is currently awaiting approval by the Iroquois Management Committee” and that “[o]nce such approval has been reached, Iroquois will file supplemental comments in this proceeding on the resolution of the specific issues raised in the October 7 letter[.]” Iroquois hereby notifies the Commission that the Iroquois Management Committee has now approved the agreements reached between Iroquois and the applicants in these proceedings, Broadwater Energy LLC (“Broadwater Energy”) and Broadwater Pipeline LLC (“Broadwater Pipeline”) (together, “Broadwater” or “the Broadwater Entities”), and Iroquois submits information herein describing the resolution of its previously identified issues.

#### **DESCRIPTION OF ISSUES RESOLUTION**

- **Scope and Configuration of Project**

In its October 7 Letter, Iroquois expressed concerns regarding the lack of information pertaining to the anticipated markets for LNG to be delivered by Broadwater and the uncertainties regarding the need for additional facilities for Iroquois to expand or reconfigure its system in order to accommodate this new supply source and make deliveries to incremental markets.

Broadwater has assured Iroquois that its project as currently designed does not depend upon any expansion or reconfiguration of Iroquois' facilities. Based upon these assurances, Iroquois' new facilities construction activities associated with this project would be limited to the tap facilities and only those ancillary facilities that are required to measure, monitor and, to the extent necessary, address gas quality and interchangeability issues associated with the introduction of re-vaporized LNG from Broadwater (for more detail regarding the last point, see the following discussion). Any construction activities to expand Iroquois' main line or construct new lateral facilities would be undertaken independently as part of a future Iroquois expansion project and would be subject to Commission review and approval at such time.

- **Gas Quality and Interchangeability Issues**

In its October 7 Letter, Iroquois noted that it would likely be required to amend its tariff in order to address gas quality and interchangeability issues associated with its receipt of re-vaporized LNG from Broadwater, and expressed concern about the uncertain scope of potential new facilities that might be required to address the introduction of re-vaporized LNG into Iroquois' system.

Iroquois and Broadwater have jointly acknowledged the need for Iroquois' tariff to be modified to address issues pertaining to Iroquois' receipt and transportation of re-vaporized LNG. They have further agreed to work together and with Iroquois' existing and potential customers, parties whose facilities interconnect with the Iroquois system, and other stakeholders to develop any new tariff requirements determined to be necessary to address the introduction of re-vaporized LNG into Iroquois' system. Iroquois also has the right to defer its receipt of re-vaporized LNG from Broadwater until such time as the

new tariff provisions have become effective and any ancillary facilities Iroquois needs to install to address the introduction of Broadwater LNG into its system have been installed and made operational. Broadwater further has committed to comply with the pipeline's gas quality tariff provisions in effect at the time its deliveries are made.

With respect to facilities needed to address the introduction of re-vaporized LNG into Iroquois' system, a significant portion of such facilities will be constructed and operated by Broadwater and located on the FSRU. Any Iroquois-constructed facilities are presently anticipated to be minor (*i.e.*, gas chromatographs and other measurement and monitoring equipment, as well as possible heating facilities) and constructed at existing Iroquois facility locations pursuant to blanket construction authority.

- **Pipeline Design**

In its October 7 Letter, Iroquois raised the concern that, as described in Broadwater's initial pre-filing documentation, Broadwater's lateral pipeline facility was designed using a different, and lower, pipe class designation than the existing Iroquois sub-sea system.

As reflected in Broadwater's Resource Reports, Broadwater has agreed to construct its lateral pipeline facility to meet the same pipe class specifications as the Iroquois system.

- **Lack of Metering Facilities at Interconnection Point**

In its October 7 Letter, Iroquois noted its concern regarding Broadwater's proposed design which includes metering facilities on the FSRU (*i.e.*, at the point of origin of the Broadwater pipeline lateral), but not at its proposed point of interconnection with the Iroquois subsea pipeline system. While Iroquois acknowledged that this design

has obvious environmental benefits, such design raises commercial issues regarding measurement and responsibility for losses on the 22-mile lateral.

Prior to Iroquois' receipt of the gas, Iroquois and Broadwater will enter into future contractual arrangements, such as an Operational Balancing Agreement and an Operations and Maintenance Agreement, that will address the issue of metering and responsibility for gas losses.

- **Flow Control Valve Operation**

In its October 7 Letter, Iroquois raised questions regarding statements made by Broadwater in its draft Environmental Resource Report 11 pertaining to the ability to shut down and isolate the Broadwater system by shutting in the entire Iroquois subsea pipeline system.

In its revised Resource Reports 1 and 11 and other correspondence in this proceeding, Broadwater has clarified that it has and will avail itself of several security and safety procedures to isolate the Broadwater system in the event of an emergency circumstance that would not require the shut-in of the Iroquois pipeline system. In addition, Broadwater has agreed that its facilities design will include multiple shut-in valves to enhance controls in an emergency situation and has agreed to work with Iroquois to achieve a mutually agreeable final design for the interconnection facilities. Finally, Broadwater and Iroquois have agreed to a process for negotiation and execution of the aforementioned Operations and Maintenance Agreement, which will address, among other things, procedures for handling emergency situations where re-vaporized LNG must be isolated from the Iroquois system.

Based on the foregoing agreements and understandings, Iroquois believes that the issues raised in its October 7 Letter have been addressed satisfactorily by Broadwater.

Respectfully submitted,

IROQUOIS PIPELINE OPERATING COMPANY  
as agent for  
IROQUOIS GAS TRANSMISSION SYSTEM, L.P.

/s/ Jeffrey A. Bruner

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April 11, 2006

Certificate of Service

On this, the 11<sup>th</sup> day of April, 2006, a true and correct copy of the foregoing Supplemental Comments of Iroquois Gas Transmission System, L.P. was served, either electronically or by U.S. mail, postage prepaid, to the representatives of the applicants, Broadwater Energy LLC and Broadwater Pipeline LLC, and to every other party listed on the official service list compiled by the Commission for these proceedings.

Dated at Washington, D.C. this 11th day of April, 2006.

/s/ Gabe S. Sterling III

Gabe S. Sterling III  
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